

Co-Pay is Affordable for Most Eligible Families

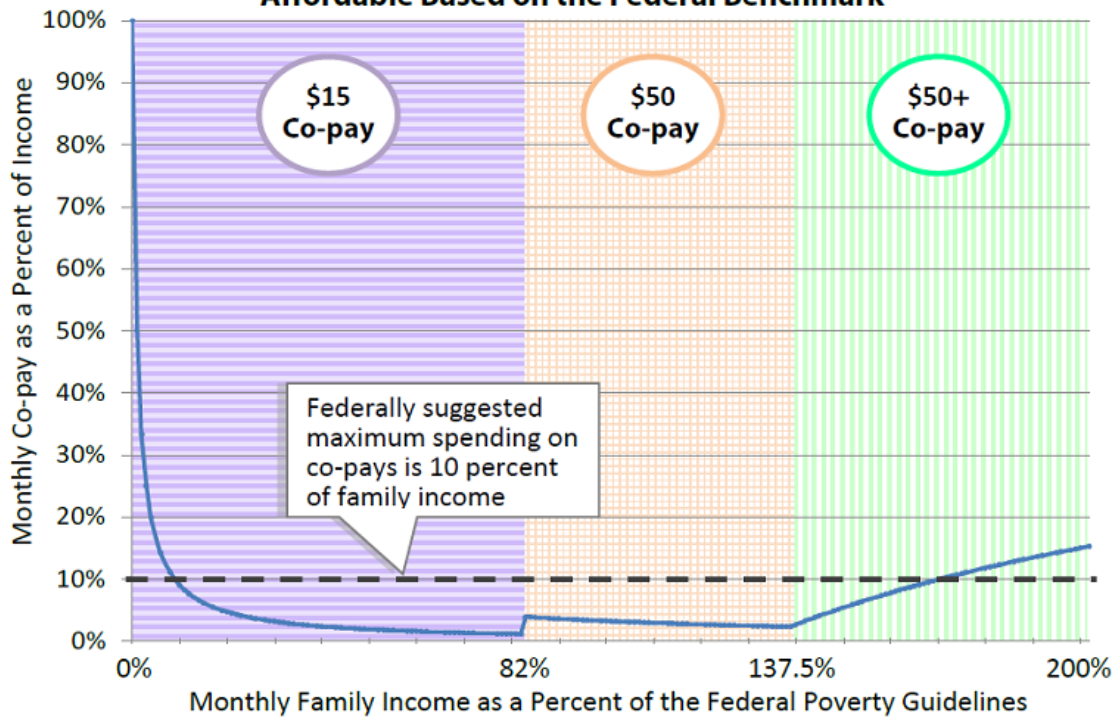
A measurement of the affordability of subsidized child care is the co-pay amount that a family pays as a percentage of its income. The federal Department of Health and Human Services recommends a benchmark for co-pays: the co-pays should not exceed 10 percent of a family's income. Based on this federal benchmark, co-payments are affordable for more than 90 percent of Washington families receiving child care subsidies.

Based on family size and family income, a Washington family's current monthly co-pay is:

- \$15 if the family is at or below 82 percent of the Federal Poverty Guidelines (FPG);
- \$50 if the family is above 82 percent of FPG and at or below 137.5 percent of FPG; and
- Between \$50 and \$555 if the family is above 137.5 percent of FPG and at or below 200 percent of FPG.

Exhibit 8 shows the co-pays as a percentage of a family's income in relationship to the family's income as a percentage of the Federal Poverty Guidelines. The monthly co-pays for families are below the federally suggested benchmark of no more than 10 percent of the family income (the bold horizontal line). The percentage of family income needed for co-pays exceeds this benchmark for families with incomes less than \$150 per month and those whose incomes exceed 164 to 170 percent of the FPG (depending on family size and income). For families with incomes approaching the upper limit of eligibility (200 percent of FPG), the co-pay never exceeds 16 percent of the family's income. The exhibit is based on a family of three, though there is very little variation for families with of different sizes.

Exhibit 8 – Co-Pays for Most Eligible Families Are Affordable Based on the Federal Benchmark



Source: JLARC analysis of DEL supplied data.

Availability of Subsidized Child Care Is Unclear

To determine availability of subsidized child care, JLARC looked at two questions:

- Are families that meet eligibility requirements using subsidized child care?
- Can eligible families find providers that will take subsidized children?

Eligible Families and Subsidized Child Care Usage

Washington has an estimated 210,000 families that have children under the age of 13 years and are at or below 200 percent of the Federal Poverty Guidelines. These families are potentially eligible for Working Connections Child Care if they meet other eligible requirements such as being in a training program or having a job. Some of the families do not meet the additional eligibility criteria, and some that do qualify elect to use other sources of child care such as family members or friends. Overall, about 36,000 families are using subsidized child care. While this is 17 percent of the potentially eligible families, there is no state waiting list for families who want, but are not authorized, to receive subsidized child care.